

2003 IRS Software Developers Conference

Electronic Payments

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The E-Payment message is simple: "The US Treasury does not want payment by check when the related tax return or transaction is computed using software." IRS challenge is to provide e-payment options that are preferable to payment by check. Among successful e-payment options available are:

- Electronic Funds Withdrawal using software: e-file & pay in a single, integrated step; e-file anytime, schedule the payment for the due date; most e-file programs now support this option.
- Electronic Federal Tax Payment System (EFTPS, eftps.gov): Accepts all Federal Taxes, year round in a stand alone environment or via hyper-links; schedule one time or recurring payments; view history on-line
- Credit Cards: e-file & e-pay using credit cards in a single step; delay out of pocket expense (convenience fees apply)

The features and benefits of E-Payment include:

- Security: Payment data and privacy protected as Tax Return Data; Built on well established financial networks; Internet Transactions encrypted
- Safety: Electronic Funds Transfer number can be used as confirmation & to trace transactions; Proof of payment also shown on credit card & bank statements; Uses the same security and payment processing as commercial applications.

E-Payment Usage has shown steady growth, with many more payment transactions remaining to be converted, including:

- Form 1040 payments = 30 million
- 1040ES Payments = 12 million
- Corporate Tax returns = 4 million
- Delinquent Taxes
- Businesses organized as LLCs
- On-line banking is outgrowing check usage & will soon surpass

In 2004, we expect the following enhancements: Adding an EFW record to the new 1120/1120S Corporate Tax Return and to the Form 8868; Expansion of EFTPS to include an Interface Protocol Specification. In partnership with Industry we ask that an EFTPS link be embedded in software. Find out how at **www.fms.treas.gov**. Alternately, Imbed an Interface Protocol Specification, which would allow software users to send a payment to EFTPS without leaving

their software product. Learn more at www.irs.gov/e-file, select Payment Options.

In response to a question raised about using e-file and e-pay and dealing with problems with the payment after the return is accepted, IRS has established a new toll-free number just for such occasions. The number will be available 24 hours per day 7 days per week next filing season. Call 1-888-353-4537. [Call Larry Faulkner at 202-283-4821 if you have questions about this new number.]